

ASSEMBLY BILL

No. 2475

Introduced by Assembly Member Kuehl

February 24, 2000

An act to amend Section 6366.4 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2475, as introduced, Kuehl. Sales and Use Tax: exemptions: property: use in nonprofit museum.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax, including an exemption for specified purchases of property used in the San Diego Aero-Space Museum or the California Science Center.

This bill would extend that exemption to the Museum of Flying.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made

and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6366.4 of the Revenue and
2 Taxation Code is amended to read:
3 6366.4. (a) There are exempted from the taxes
4 imposed by this part the gross receipts from the sale of,
5 and the storage, use, or other consumption in this state of,
6 tangible personal property purchased by a nonprofit
7 museum regularly open to the public that is operated by
8 or for a local or state government entity, or operated by
9 a nonprofit organization—~~which~~ *that* has qualified for
10 exemption pursuant to Section 23701d, provided the
11 property is purchased and used exclusively for display
12 purposes within the museum.
13 (b) The exemption provided by this section extends
14 only to items that have value as museum pieces and does
15 not extend to display cases, shelving, lamps, lighting
16 fixtures, or other items of tangible personal property
17 utilized in the operation of a museum. However, the
18 exemption does include sprung instant structures used as
19 temporary exhibit housing.
20 (c) For purposes of this section, a “museum” includes
21 only any of the following:
22 (1) A museum that has a significant portion of its space
23 open to the public without charge.
24 (2) A museum open to the public without charge for
25 not less than six hours during any month the museum is
26 open to the public.
27 (3) A museum that is open to a segment of the student
28 or adult population without charge.
29 (d) This section applies only to the San Diego
30 Aero-Space Museum ~~and~~, the California Science Center,
31 *and the Museum of Flying.*

1 SEC. 2. Notwithstanding Section 2230 of the Revenue
2 and Taxation Code, no appropriation is made by this act
3 and the state shall not reimburse any local agency for any
4 sales and use tax revenues lost by it under this act.

5 SEC. 3. This act provides for a tax levy within the
6 meaning of Article IV of the Constitution and shall go into
7 immediate effect. However, the provisions of this act shall
8 become operative on the first day of the first calendar
9 quarter commencing more than 90 days after the
10 effective date of this act.

